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Report Highlights:
Canada's cattle and beef situation at mid-2000 is characterized by tighter cattle supplies, strong market prices, lower live cattle exports, and increased beef trade. Beef production is expected to be up by about 2% over last year. Pork processors have increased Canadian hog slaughter capacity and pork export levels are at record highs. Canadian pork production is forecast to increase by about 6%-7% during 2000 and by another 7%-8% in 2001. Live slaughter hog exports to the United States are lower while exports of feeder pigs continues to increase.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Section I. Cattle and Beef Update

Canada's cattle and beef situation at mid-year 2000 is characterized by tighter cattle supplies reflecting the cyclical contraction phase of the cattle cycle, strong market prices, lower live cattle exports, and increased beef trade with both imports and exports of beef above year earlier levels. Increased carcass weights in 2000 are forecast to boost Canadian beef production up about 2% from last year although total cattle slaughter may decline slightly.

Cattle Inventory: Supply and Distribution

PSD Table						
Country	Canada					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	12870	12870	12655	12655	0	12550
Dairy Cows Beg. Stocks	1180	1180	1142	1142	0	1110
Beef Cows Beg. Stocks	4189	4189	4151	4151	0	4125
Production (Calf Crop)	5142	5142	5070	5070	0	5035
Intra EC Imports	0	0	0	0	0	0
Other Imports	234	234	250	250	0	300
TOTAL Imports	234	234	250	250	0	300
TOTAL SUPPLY	18246	18246	17975	17975	0	17885
Intra EC Exports	0	0	0	0	0	0
Other Exports	1038	1038	800	925	0	750
TOTAL Exports	1038	1038	800	925	0	750
Cow Slaughter	495	507	450	480	0	460
Calf Slaughter	340	356	335	355	0	345
Other Slaughter	3136	3108	3215	3115	0	3120
Total Slaughter	3971	3971	4000	3940	0	3925
Loss	582	582	575	560	0	570
Ending Inventories	12655	12655	12600	12550	0	12640
TOTAL DISTRIBUTION	18246	18246	17975	17975	0	17885

The current year marks the third consecutive year that Canada's total cattle inventory has declined reflecting the cyclical contraction phase. On January 1, 2000 Statistics Canada cattle inventories reported lower year-to-year numbers for all classes of cattle except steers, one year and older which were up 2% from January 1, 1999. Beef cow numbers at the beginning of 2000 were 1% below a year earlier and beef replacement heifers were 0.5% below the January 1999 level, demonstrating that beef herd expansion has yet to occur. In the first half of 2000, Canada's declining cattle inventory has resulted in tighter supplies, higher cattle prices, and lower exports of live slaughter cattle to the United States. Total cattle numbers at the end of 2000 are expected to remain at or slightly below the year earlier level of 12.6 million head.

Beef Production

According to Statistics Canada, total Canadian beef and veal production in 1999 reached 1,238 thousand metric tons, up nearly 8% from the 1998 level. For 2000, total slaughter is forecast to decline by about 1 percent, but heavier carcass weights across all cattle classes will contribute to an overall increase in total beef and veal output of about 2 percent, to approximatley 1,260 metric tons. For 2001, beef and veal output is projected to advance only by about 1% reflecting tighter cattle supply and an expectation of higher female retention rates.

PSD Table						
Country	Canada					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	3971	3971	4000	3940	0	3925
Beginning Stocks	25	26	25	32	0	28
Production	1225	1238	1240	1260	0	1250
Intra EC Imports	0	0	0	0	0	0
Other Imports	260	261	270	280	0	290
TOTAL Imports	260	261	270	280	0	290
TOTAL SUPPLY	1510	1525	1535	1572	0	1568
Intra EC Exports	0	0	0	0	0	0
Other Exports	490	508	515	565	0	575
TOTAL Exports	490	508	515	565	0	575
Human Dom. Consumption	995	985	998	979	0	965
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	995	985	998	979	0	965
Ending Stocks	25	32	22	28	0	28
TOTAL DISTRIBUTION	1510	1525	1535	1572	0	1568

Cattle Slaughter, by Region

Alberta continues to increase its share of total Canadian federally inspected cattle slaughter reflecting its concentration of feedlots and expanded capacity at mega-processing plants. As shown below, almost 70 percent of federally inspected cattle slaughter occurred in Alberta during 1999. Cattle slaughter in other provinces and regions has steadily declined in recent years.

Cattle Slaughter							
Percent Share of Federally Inspected Slaughter by Province/Region							
YEAR		B.C.	Alberta	Sask. & Man.	Ontario	Quebec	Atlantic Prov.
1995		1.8	60.0	6.8	20.4	7.8	3.2
1996		1.6	61.8	6.4	19.6	7.6	3.0
1997		1.4	62.9	6.2	19.5	7.3	2.7
1998		1.3	66.5	5.7	18.0	6.6	1.9
1999		1.2	68.7	5.3	17.2	6.2	1.4
Source: Derived from AAFC data							

Cattle Prices

Following the U.S. trend, record prices for slaughter cattle in Alberta were reached during the spring of 2000. According to CanFax, a private market analysis group, Alberta fed cattle prices averaged C$100.25 per hundredweight in April 2000, the first time ever that a monthly average has surpassed the C$100/cwt. mark. As shown below, prices in the recent months have eased from their springtime highs.

Canada: Slaughter Steer Prices						
Monthly Weighted Averages; Alberta						
Units: C$/hundredweight						
	1995	1996	1997	1998	1999	2000
January	94.53	78.64	79.71	84.69	90.08	94.90
February	94.00	75.31	84.12	82.56	88.36	92.46
March	89.60	75.94	87.15	83.45	90.85	98.55
April	84.29	71.97	86.30	86.74	88.58	100.25*
May	80.59	72.28	84.69	86.33	88.03	96.59*
June	81.25	73.60	82.31	83.44	86.37	92.50*
July	80.00	77.90	83.00	79.81	84.94	
August	78.78	83.59	83.55	80.95	87.42	
September	77.06	86.61	80.19	78.35	87.26	
October	79.24	87.61	84.00	84.06	89.93	
November	83.45	86.11	87.20	88.67	95.09	
December	81.64	78.16	85.81	86.81	99.11	
Annual Aver.	82.91	78.42	83.94	83.56	89.30	
*estimate, based on weekly data						
Sources: StatCan; Livestock Statistics & CanFax						
file: catpri00.wk4						
					updated 7/18/00	

Trade

Beef Imports

Canada imported 83,163 metric tons (product weight) of fresh, frozen or chilled beef and veal in the first five months of 2000, an increase of more than 11% over the same period a year ago. Beef imports from the United States were up 11% reflecting tighter beef supplies in central Canada while imports from Australia and New Zealand were down sharply, 37% and 48% respectively. There has been a significant increase in the level of South American beef into Canada in 2000. Imports from Uruguay and Argentina in the January to May period of 2000 surpassed 27,000 metric tons, more than the combined total imported from those countries throughout 1999. Data from Agriculture and Agri-Food Canada show that more than 75% of Canadian imports of beef from South America are imports of grinding meat.

Beef Import Matrix, Current Year

Fresh, Frozen & Chilled Beef & Veal Imports; Product Weight				
Year to Date & Previous Year Comparison				
Units: Metric Tons				Year-to-Year
		Jan - May	Jan - May	%
	1999	1999	2000	change
World	177,782	74,755	83,163	11.2%
United States	72,180	29,257	32,418	10.8%
Australia	44,867	19,233	12,116	-37.0%
New Zealand	34,911	21,594	11,320	-47.6%
Uruguay	14,997	3,799	11,418	200.5%
Argentina	10,792	872	15,891	1721.7%
All Others	34	0	0	-
Source: Derived from Statistics Canada; Canadian Trade Analyzer				
HS Codes: 0201; 0202 (excludes processed categories)				

Beef Import Matrix, Forecast

Fresh, Frozen & Chilled Beef & Veal Imports; Product Weight			
1999, Current Year & Forecast 2001			
Units: Metric Tons			
	1999	2000	2001
	Final	Estimate	Forecast
World	177,782	190,000	197,000
United States	72,180	80,000	
Australia	44,867	30,000	
New Zealand	34,911	21,000	
Uruguay	14,997	30,000	
Argentina	10,792	29,000	
All Others	34	0	
Source: Statistics Canada & Post Forecasts			

Live Cattle Trade

Preliminary data show Canadian live cattle exports to the United States in the first seven months of 2000 down about 8% from the same period last year. The development marks the fourth consecutive year of decline and reflects in part, increased Canadian slaughter capacity, increased demand by Canadian beef processors and lower cattle supplies. In addition, preliminary data for the January to July period of 2000 show reduced Canadian exports of feeder cattle to the United States (down more than 20% from year earlier levels).

Canadian imports of live cattle, virtually all from the United States, could increase to about 250,000 head from 234,000 last year given expectations for increased demand for U.S. feeder cattle under the Northwest Cattle Project (see Policy Section) beginning in October, 2000. An increase in feeder cattle imports to a level exceeding 200,000 head is expected to offset an anticipated decline in imports of U.S. slaughter cattle which during the first half of 2000 fell about 10% below the year earlier level for the same period.

Cattle & Beef Policy

Northwest Cattle Project:

The Canadian Food Inspection Agency reported that total imports of U.S. feeder cattle under the Northwest Cattle Project's 1999/2000 season (October to March) reached 180,314 head, more than three and one-half times the prior season's level of 51,009 head. It marked the third year of the program aimed at facilitating imports of feeder cattle into Canada by expanding animal health approvals from selected states. Canadian feedlot operators benefit from an additional source of feeder cattle. Currently, Alaska, Hawaii, Idaho, North Dakota, Montana and Washington are approved for participation in the program. Montana was the leading exporter of feeder cattle to Canada accounting for 70% of total; Alberta feedlots absorbed more than 87 % of the total imported. The Canadian Cattlemen's Association has announced its support of year-round access to U.S. feeder cattle and the Ontario cattle industry recently expressed an interest to expand the program to include that province.

Grading of Imported Beef Carcasses

In early July 2000, the Canadian Food Inspection Agency amended the Livestock and Poultry Carcass Grading Regulations pursuant to the *Canada Agricultural Products Act*, to permit the application of Canadian grade names to imported beef carcasses. Beef carcass grading in Canada is voluntary but the application of Canadian grade names to beef carcasses prior to the amendment had been restricted to cattle slaughtered in Canada. Although imported live cattle slaughtered in Canada may be graded according to the Canadian standards, imported beef carcasses have not been eligible for Canadian grading. This amendment makes Canadian grade names available to domestic and imported products alike and harmonizes Canadian and U.S. treatment of imported cattle and carcasses (see CA0104, 7/10/00).

USDA Proposed Beef Grading Rule Criticized

The Alberta Cattle Commission (ACC) has issued a press release critical of a USDA regulatory proposal to stop providing USDA grading on imported beef, lamb and veal. Arno Doerksen, ACC director, claims the order is contrary to U.S./Canada steps to try to reduce trade irritants and better harmonize the two countries' cattle and beef industries. Doerksen said that the number of Canadian beef carcass exports have been trending downward due to Canada's increased fabrication capacity and that 95% of Canadian beef is exported to the U.S. as boxed beef, which already carries the Canadian grade and is not re-graded by the USDA. He claimed that last year, Canada exported only 50,000 beef carcasses to the United States but that the ruling would result in a decrease in the value of exported Canadian beef by approximately C$40 per carcass. The ACC believes that the rule would cost its industry approximately C$2 to C$4 million dollars annually. According to the ACC, Canada's total annual exports of beef and cattle to the U.S. are valued at C$2.6 billion ($1.8 billion).

National Checkoff

In March 2000, the Canadian Cattlemen's Association submitted a formal application to the National Farm Products Council (NFPC) for the establishment of a national Beef Research and Promotion Agency with the authority to apply a checkoff on domestic and imported cattle and beef (see CA0024). The proposed levy rates for imports are essentially the same as those used in the U.S. cattle and beef checkoff. The NFPC held public hearings in May 2000 and is currently studying the merits of a national checkoff and whether the majority of Canadian cattle producers are in favor.

Canadian Cattle Identification Agency

Canada's cattle industry has adopted a proactive role in the development of an individual traceback system (for dairy and beef) for animal health and food safety purposes. The Canadian Cattle Identification Agency (CCIA), a private agency, was incorporated in March 1998 (see CA8040, 8/13/98 p.11) and the CCIA is on schedule to have a mandatory bovine tagging system in place by December 31, 2000. The CCIA conducted field trials on tag retention and is working closely with the Canadian packing industry in developing a system to carry tag application through to carcass inspection.

In June 2000, a proposed amendment to the Health of Animals Regulations for the National Cattle Identification Program was published in the Canada Gazette for a 60-day public comment period. The proposed amendment will provide the necessary federal regulatory framework to implement reidentification of the national cattle herd.

The Canadian beef and dairy industry has recognized that a national identification program is essential to provide industry and government the capability to respond immediately to a disease or food safety problem for purposes of rapid containment and elimination. For this reason industry has requested the program.

The Canadian Food Inspection Agency (CFIA) will have access to the information in the identification database in the event of an animal health or food safety issue. If a serious health or safety issue is detected with either the live animal or the carcass, the information will accommodate a more effective and timely response capability.

Should the proposed amendment move forward, the effective date has been established by the Canadian Cattle Identification Agency (CCIA) as January 1, 2001 for cattle leaving the herd of origin, and July 1, 2001 for all other cattle.

Beef & Veal Tariff Rate Quotas

While there is no tariff or quantitative control on U.S. beef exports to Canada, Canada has a tariff rate quota (TRQ) on imports of beef and veal from non-NAFTA countries. Under the TRQ, the minimum access level for beef and veal is 76, 409 metric tons (duty-free rate) within which there are two country-specific allocations: 29,600 metric tons reserved for imports from New Zealand and 35,000 metric tons reserved for imports from Australia. The balance of the TRQ, 11,809 metric tons (called the MFN reserve) is reserved for imports from all other eligible suppliers, including those from New Zealand and Australia once their country-specific allocations are filled. Goods imported in excess of the minimum access level will incur the higher rate of duty, which will be 26.5% starting January 1, 2000. Once the MFN reserve is filled, all imports from countries other than Australia and New Zealand, and from those countries too once their reserves are filled, require supplementary permits to enter Canada at the duty-free rate. Canada only issues supplementary permits under certain conditions of market shortages and only if the price of non-NAFTA beef entering Canada is not less than the price of similar product enterin the United States. Canada's supplementary import program terminates if the United States TRQ limit of 696,621 metric tons is reached.

For other policy developments in the cattle and beef sector this year, see the GAIN report summary at the end of this report.

Section II. Swine and Pork

Hog Numbers

Canada's hog inventory on January 1, 2000 was 1.3% below the level of a year earlier, but the reduction was mostly in higher weight slaughter type pigs. The breeding herd on at the beginning of 2000 was 3% greater than a year ago. Farrowings in the first quarter of 2000 were up nearly 4% year-to-year, while farrowing intentions for the second quarter were up 2.4%. Expansion in hog production and slaughter capacity in Canada, reduced live exports of slaughter hogs, and strong demand for pork in export markets points to a moderate gain of about 5% in domestic slaughter during 2000. The total inventory is expected to increase by nearly 3% by January 1, 2001 and reflect a continued expansion of the breeding herd.

PSD Table						
Country	Canada					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	12409	12409	12257	12254	0	12600
Sow Beginning Stocks	1248	1248	1289	1289	0	1330
Production (Pig Crop)	23337	24062	24491	25300	0	26500
Intra EC Imports	0	0	0	0	0	0
Other Imports	8	8	25	10	0	10
TOTAL Imports	8	8	25	10	0	10
TOTAL SUPPLY	35754	36479	36773	37564	0	39110
Intra EC Exports	0	0	0	0	0	0
Other Exports	4180	4136	3300	3900	0	3600
TOTAL Exports	4180	4136	3300	3900	0	3600
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	18261	18900	19623	19950	0	21500
Total Slaughter	18261	18900	19623	19950	0	21500
Loss	1056	1189	1150	1114	0	1260
Ending Inventories	12257	12254	12700	12600	0	12750
TOTAL DISTRIBUTION	35754	36479	36773	37564	0	39110
Calendar Yr. Imp. from U.S.	8	8	25	10	0	10
Calendar Yr. Exp. to U.S.	3799	4135	3200	3890	0	3585

Pork Production

Canada's pork processors are responding to increased demand in pork export markets by increasing their slaughter capacity (see hog packing, page 13.). Canadian pork production is forecast to increase by about 6%-7% during 2000 and by another 7%-8% in 2001.

PSD Table						
Country	Canada					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	18261	18900	1150	19950	0	21500
Beginning Stocks	33	34	34	33	0	30
Production	1485	1562	1620	1675	0	1800
Intra EC Imports	0	0	0	0	0	0
Other Imports	67	64	66	60	0	60
TOTAL Imports	67	64	66	60	0	60
TOTAL SUPPLY	1585	1660	1720	1768	0	1890
Intra EC Exports	0	0	0	0	0	0
Other Exports	560	631	610	780	0	900
TOTAL Exports	560	631	610	780	0	900
Human Dom. Consumption	856	836	920	803	0	800
Other Use, Losses	135	160	155	155	0	160
TOTAL Dom. Consumption	991	996	1075	958	0	960
Ending Stocks	34	33	35	30	0	30
TOTAL DISTRIBUTION	1585	1660	1720	1768	0	1890
Calendar Yr. Imp. from U.S.	40	56	36	53	0	53
Calendar Yr. Exp. to U.S.	360	400	380	505	0	595

Hog Packing Developments

Canada's hog industry continues a trend to increased hog slaughter capacity, reduced live slaughter hog exports, higher feeder pig exports to the United States, greater investment in hog production facilities, and increased pork exports. At mid-summer 2000, Agriculture and Agri-Food Canada reports that of the major hog packers, Maple Leaf Food's Brandon, Manitoba plant is approaching its annual capacity of 2.3 million hogs earlier than planned. In late 1999, J.M. Schneider (owned by U.S. processor Smithfield foods) announced plans to triple the capacity of its two-year-old Winnipeg plant to 90,000 per week (4.7 million per year) by 2003.

Distribution of Hog Slaughter Activity

Distribution of Canadian F.I. Hog Slaughter, 1/							
	1993	1994	1995	1996	1997	1998	1999
Number of Plants	50	50	54	48	52	49	44
Average Kill, 2/	277,751	283,655	268,046	292,629	270,557	317,555	395,428
Top 4 Plants, % total	54%	53%	53%	52%	54%	56%	56%
Top 8 Plants, % total	80%	78%	77%	76%	74%	76%	74%
1/ Federally Inspected							
2/ Average number of hogs, per plant, per year							
Source: Agric. & Agri-Food Canada							

Hog Prices

Canadian hog prices in the first five months of 2000 showed a substantial increase over the same period a year ago. The average June 2000 price in Manitoba at C$1.85 per kg (index 100 dressed) was 43% above the June 1999 level. Agriculture and Agri-Food Canada predicts that peak prices will occur in mid-2000 track lower for the remainder of the year. For 2001, hog producer profitability in Canada will likely rest on the trend to larger operations able to withstand weaker price levels forecast for 2001.

Canada: Slaughter Hog Prices; Ontario & Manitoba									
Units: $C/kilogram; index 100 dressed									
		ONTARIO					MANITOBA		
	1997	1998	1999	2000		1997	1998	1999	2000
January	1.87	1.27	0.87	1.34		1.80	1.26	1.01	1.38
February	1.88	1.30	1.06	1.50		1.79	1.27	1.14	1.62
March	1.77	1.27	1.05	1.57		1.69	1.23	1.05	1.63
April	1.97	1.32	1.10	1.76		1.85	1.25	na	1.89
May	2.11	1.62	1.38	1.85		2.00	1.55	na	1.93
June	2.10	1.66	1.30	1.79		1.99	1.56	1.29	1.85
July	2.14	1.47	1.22			2.07	1.33	1.22	
August	2.04	1.39	1.38			1.95	1.26	1.42	
September	1.82	1.12	1.25			1.78	1.11	1.32	
October	1.70	1.12	1.25			1.64	1.05	1.32	
November	1.63	0.68	1.24			1.60	0.68	1.30	
December	1.51	0.50	1.34			1.52	0.57	1.39	
Average	1.87	1.21	1.20			1.79	1.17	1.25	
*estimated									
Source: AgCan; Livestock Mkt. Review									

Pork Trade: Exports,Year to Date

Lower Danish pork exports and increased Canadian pork exports vaulted Canada to the world's leading pork exporter during 1999. Product weight pork exports from Canada to the world in the January to May period of 2000 rose 27% above the same period a year ago. Exports to Japan and Mexico outpaced the rate of increase of exports to the United States in early 2000.

Canada: Pork Exports; Product Weight				
Year to Date & Previous Year Comparison				
Units: Metric Tons				Year-to-Year
		Jan - May	Jan - May	%
	1999	1999	2000	change
World	425,914	159,529	202,383	26.9%
United States	269,592	104,020	133,142	28.0%
Japan	69,767	26,349	35,927	36.4%
Korea, South	15,541	7,459	5,507	-26.2%
Australia	12,903	5,118	5,651	10.4%
Mexico	10,611	1,887	4,785	153.5%
Taiwan	8,768	2,062	2,011	-2.4%
New Zealand	7,243	2,243	2,856	27.3%
Hong Kong	5,206	2,338	1,900	-18.7%
Philippines	4,723	893	1,781	99.5%
Cuba	4,650	1,683	2,459	46.1%
Poland	3,092	24	1,059	4382.2%
Chile	1,321	840	492	-41.4%
Russia	1,086	320	24	-92.5%
Jamaica	1,045	582	557	-4.3%
All Others	10,365	3,713	4,232	14.0%
Source: Derived from Statistics Canada; Canadian Trade Analyzer				
HS Codes				
0203	Pork, fresh, chilled or frozen			
0210.11	Hams, Cured			
0210.12	Bellies			
0210.19	Swine Meat, Cured			
1602.41	Prepared Hams & Cuts			
1602.42	Prepared Shoulders & Cuts			
1602.49	Other Prepared Pork Cuts			
Note: excludes HS categories which are only partially comprised of pork				

Pork Trade: Exports, Forecast

Present prospects point to Canadian product weight pork exports increasing by about 15% over last year. Monthly averages of pork exports in the last half of 1999 increased sharply, and the rate of year-to-year increase in the last half of 2000 may ease from the level noted during the January to May period.

Canada: Pork Export Matrix; Product Weight			
1999, Current Year & Forecast 2001			
Units: Metric Tons			
	1999	2000	2001
	Final	Estimate	Forecast
World	425,914	530,000	610,000
United States	269,592	340,000	*
Japan	69,767	95,000	
Korea, South	15,541	13,000	*
Australia	12,903	15,000	*
Mexico	10,611	17,000	*
Taiwan	8,768	8,500	*
New Zealand	7,243	10,000	*
Hong Kong	5,206	4,000	*
Philippines	4,723	4,800	*
Cuba	4,650	7,000	*
Poland	3,092	3,300	*
Chile	1,321	1,000	*
Russia	1,086	200	*
Jamaica	1,045	1,000	*
All Others	10,365	10,200	
* included in World Total			
See previous table for HS Codes			
Source: Statistics Canada & Post Forecasts			

Pork Trade: Imports, Year to Date

Canada: Pork Imports; Product Weight				
Year to Date & Previous Year Comparison				
Units: Metric Tons				Year-to-Year
		Jan - May	Jan - May	%
	1999	1999	2000	change
World	49,424	20,501	19,457	-5.1%
United States	43,079	17,538	18,384	4.8%
Denmark	5,424	2,547	822	-67.7%
Finland	338	205	22	-89.1%
Italy	265	81	123	50.9%
Netherlands	112	32	0	-100.0%
Belgium	72	37	14	-62.3%
All Others	134	61	92	50.9%
Source: Derived from Statistics Canada; Canadian Trade Analyzer				
HS Codes				
203	Pork, fresh, chilled or frozen			
0210.11	Hams, Cured			
0210.12	Bellies			
0210.19	Swine Meat, Cured			
1602.41	Prepared Hams & Cuts			
1602.42	Prepared Shoulders & Cuts			
1602.49	Other Prepared Pork Cuts			
Note: excludes HS categories which are only partially comprised of pork				

Pork Trade: Pork Import Forecast

Canada: Pork Import Matrix; Product Weight			
1999, Current Year & Forecast 2001			
Units: Metric Tons			
	1999	2000	2001
	Final	Estimate	Forecast
World	49,424	47,500	48,000
United States	43,079	45,000	
Denmark	5,424	1,600	
All Others	921	900	
Source: Statistics Canada & Post Forecasts			
HS Codes: as in above table			

Live Hog Trade

Canadian Exports of Live Hogs (Feeder) to the United States to May 2000				
010391-Swine, live except pure-bred breeding weighing less than 50 kg				
		1999	2000	Cumulative
		# hd.	# hd.	Change
	January	147,343	176,471	19.8%
	February	135,997	174,948	24.0%
	March	169,132	191,386	20.0%
	April	175,627	166,662	13.0%
	May	178,182	182,566	10.6%
	June	194,496		
	July	163,094		
	August	179,048		
	September	206,444		
	October	172,720		
	November	180,521		
	December	180,822		
	Total (A)	2,083,426	892,033	
Canadian Exports of Live Hogs (Slaughter) to the United States to May 2000				
010392-Swine, live except pure-bred breeding weighing 50 kg or more				
		1999	2000	Cumulative
		# hd.	# hd.	Change
	January	238,132	160,902	-32.4%
	February	150,520	132,930	-24.4%
	March	157,382	142,799	-20.0%
	April	139,096	132,694	-16.9%
	May	138,150	184,304	-8.5%
	June	168,051		
	July	148,724		
	August	186,649		
	September	179,934		
	October	196,721		
	November	169,228		
	December	180,038		
	Total (B)	2,052,625	753,629	
Subtotals January - May (sl.+fdr)		1,629,561	1,645,662	1.0%
Feeder + Slaughter (A+B)		4,136,051		
Data Source: Statistics Canada, Canadian Trade Analyzer				

The trend to reduced slaughter hog exports to the United States is expected to continue reflecting increased Canadian domestic slaughter/slaughter capacity. As shown in the table above, exports of live slaughter hogs in the first five months of 2000 were 8.4% lower than for the same period a year ago. This was offset by increasing exports of live feeder pigs to the United States driven by increased demand for feeders by U.S. producers. On balance for 2000, total live hog exports are expected to decline about 5% to 3.9 million head from 4.1 million head in 1999. For 2001, exports are forecast to ease further to about 3.6 million head.

Policy: Hogs and Pork

Canada streamlined its import procedures for U.S. slaughter hogs on October 7, 1999 when the Canadian Food Inspection Agency (CFIA) amended regulations under Canada's Health of Animals Act to simplify import requirements for slaughter hogs from pseudorabies-free states in the United States. The Canadian live swine import regulations are part of the December 4, 1998 U.S./Canada Record of Understanding which laid out a set of initial measures to further open Canadian markets to U.S. farm and ranch products. Since that time, only a few truckloads of U.S. slaughter hogs, reportedly to Maple Leaf's Burlington, Ontario plant have been imported. But, it would appear that Canadian processors are presently intent on sourcing increased numbers of domestic hogs (hence the reduction in live slaughter hog exports from Canada). In May 2000, Australia and Canada reached agreement on segregation procedures for Canadian packing plants that want to slaughter U.S. hogs without jeopardizing their ability to ship Canadian pork to Australia. Australian officials had formerly refused product from any Canadian plant where U.S. hogs were slaughtered.

Saskatchewan Invests in C$60M Hog Barn

Accoroding to press reports, the Saskatchewan government's Crown Investments Corp. recently announced it will invest C$15 million in the Big Sky Farms' hog barn expansions at Rama, west of Weyburn, and Ogema, northwest of Yorkton. The expansions, worth $60 million in total, are expected to double the Humboldt company's production capacity to 400,000 hogs per year. Employing 90 people in total, the two new farrow-to-finish barns will each have room for up to 5,000 sows producing 116,000 market hogs a year. The Rama project is expected to be completed with full commercial production underway by late spring 2001, and the Ogema project is expected to be in full production by late fall 2001.

Manitoba Pork Expansion

A recent report compiled by Manitoba Agriculture finds that the province's hog density is the lowest among among major hog producing nations. The provincial government claims that Manitoba's hog population could double and would still result in fewer pigs per acre than in Ontario and Quebec as well as Germany, Japan, and South Korea. However, hog expansion in the province has resulted in the emergence of Hog Watch Manitoba Inc., an environmental group opposed to the rapid expansion and production policies of Manitoba's hog industry. In response to public concern over hog production issues, The Manitoba Pork Council produced a 12 point plan for protecting the environment while expanding hog numbers. Among other things their Sustainability Strategy 2000 report calls on the province to apply uniform environmental criteria for new and expanding hog operations, interest free loans for manure storage facility expansion, and more government money for manure research.

Maple Leaf Signature Program

According to recent press reports, Maple Leaf Foods, through its procurement department in Brandon, Man., will launch a new version of its Signature Pork program for western Canadian producers. The company's private program, which started four years ago in Ontario, offers contract terms, forward price offerings and merit bonuses, and includes feed programs, genetic requirements, production protocols (for operations and health), and C$1 or C$3 per-hog participation bonuses. Maple Leaf, which is attempting to procure sufficient hogs to operate its Brandon plant at single-shift capacity, claims this type of top-to-bottom co-ordination is being driven by industry consolidation, value-added goals, and the demand, especially in Japan, for what the industry terms "story pork", or pork where the details of the meat's origin through the production process is known.

Alberta Hog Company Expansion on Hold

In early July 2000, the Calgary Herald reported that public concerns about odor, water contamination and possible E. coli risks fuelled a decision to cancel a $41 million hog operation expansion near Lethbridge, Alberta. The company that lost the ruling, the Taiwan Sugar Corporation, with a head office in Taiwan, says it will appeal the decision of a municipal planning commission.

Producer Opposition to Medicated Feed Proposal

Manitoba hog producers have come out sharply opposed to the federal proposal to license and introduce strict control measures for commercial and on-farm mixing of medicated animal feeds (for background see CA0015). Bill Vaags, a Manitoba Pork Council director and President of Canada Pork International, claimed in recent farm press reports that the proposal to regulate medicated feed mixing will increase pork production costs and jeopardize small farms. The Canadian Pork Council, the national association representing pork producers, is urging the government to accept the hog industry's existing voluntary Canadian Quality Assurance program without imposing strict mandatory regulation. Other producer groups, including the cattle and chicken industries, also believe the regulatory proposal places too much of a burden and cost on farmers. Canada's Agriculture Minister extended the public comment period on the controversial proposal by 30 days to May 5, 2000 and the CFIA continues to meet with stakeholders on the issue.

Statistics Canada to Study Export Data Methodology

Producer and meat export groups, particularly Canada's pork industry are critical of Statistics Canada's meat export data claiming that the federal agency is undercounting Canadian meat exports due to its data methodology. Post has learned that Statistics Canada will be forming a special committee to examine the allegations of the undercoverage of export data on red meats and poultry in hopes of developing a solution to the discrepancy between Statistics Canada export data and export data from the Canadian Food Inspection Agency.

Per Capita Consumption: Meat & Poultry

Poultry meat consumption continues to make gains against red meats in Canada as shown below. For 1999, per capita beef and veal consumption is expected to rise, but beef consumption will face strong competition from increasing supplies of both pork and poultry.

Canada: Per Capita Consumption of Meats & Poultry				
Calendar Years 1996-1999				
Units: kilograms; eviscerated weight/carcass weight				
	1996	1997	1998	1999
Chicken	24.9	25.4	26.2	27.3
Stewing				
Hen	1.7	2.1	2.1	1.8
Turkey	4.1	4.2	4.3	4.1
Beef & Veal	32.7	32.3	32.0	32.3
Pork	25.9	25.4	27.0	27.4
Mutton & Lamb	0.8	0.7	0.8	0.8
TOTAL	90.1	90.1	92.4	93.7
Beef Share	36.3%	35.8%	34.6%	34.5%
Pork Share	28.7%	28.2%	29.2%	29.2%
Poultry Share	34.1%	35.2%	35.3%	35.4%
Derived from: Statistics Canada Data & Post Estimates				

Gain Report Summary

The following is a list of reports from the Office of Agricultural Affairs concerning livestock industry developments since the Semi-Annual Livestock report in February 2000. There are available on the FAS website listed below.

Report #	Report Title	Date
CA0014	Beef Carcass Grading Regulation	2/9/00
CA0015	Medicated Feeds Regulation	2/9/00
CA0019	Further Expansion for Manitoba Hog Processing	2/15/00
CA0020	New Package Sizes for Processed Meats	2/17/00
CA0024	Formal Proposal for Cattle & Beef Checkoff	3/3/00
CA0049	Canada/China Pork Protocol	4/18/00
CA0071	Pork Segregation Agreement with Australia	5/24/00
CA0089	Beef Plants Approved for Exporting to China	6/26/00
CA0104	CFIA Livestock and Poultry Carcass Grading Regulations Amended	7/10/00
CA0105	National Cattle Identification Program	7/10/00

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